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8 Attorneys for Defendant
9 ACACIA RESEARCH GROUP, LLC

10
11 **IN THE UNITED STATES DISTRICT COURT**
12 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
13 **SOUTHERN DIVISION**

14
15 PROPHET PRODUCTIONS, LLC, a
New York limited liability company,

16 Plaintiff,

17 v.

18 ACACIA RESEARCH GROUP, LLC, a
19 Texas limited liability company,

20 Defendant.

Case No.

**DEFENDANT ACACIA
RESEARCH GROUP, LLC'S
NOTICE OF REMOVAL OF
ACTION FROM STATE
COURT TO FEDERAL COURT
UNDER 28 U.S.C. § 1441(b)
(FEDERAL QUESTION)**

**TO THE CLERK OF THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA AND THE
PLAINTIFF AND ITS ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that, pursuant to 28 U.S.C. § 1441(b) and the procedures set forth in 28 U.S.C. § 1446, Defendant ACACIA RESEARCH GROUP, LLC (“Defendant”), hereby removes the above-referenced case from the Superior Court of the State of California for the County of Los Angeles, to the United States District Court for the Central District of California. Defendant pleads as follows regarding the grounds for removal:

1. On October 22, 2014, Plaintiff Prophet Productions, LLC (“Plaintiff”) filed suit against Defendant—which maintains its only California office at the headquarters of its parent company in the County of Orange, California—in the Superior Court of the State of California for the County of Los Angeles. The Complaint is captioned as: Prophet Productions v. Acacia Patent Acquisition, LLC, Case No. BC561469 (California Superior Court, County of Los Angeles). The Complaint erroneously named Defendant as “Acacia Patent Acquisition, LLC,” which was the name of Defendant’s now-defunct predecessor. The Complaint alleged causes of action for Breach of Contract, Breach of the Implied Covenant of Good Faith and Fair Dealing, and Fraud. The claims concern a February 26, 2009 Exclusive License Agreement (“Agreement”) under which Plaintiff granted Defendant all substantial rights in certain patents (“Patents”), including the exclusive right to sublicense or enforce the Patents against third parties. In exchange, Plaintiff had a right to receive a continuing royalty equivalent to 50% of any profits, or “Net Proceeds,” Acacia or its wholly-owned subsidiary realized from licensing or enforcing the Patents against third parties, if any. A true and correct copy of Plaintiff’s Complaint is attached hereto as Exhibit

1 A, along with all other process, pleadings, orders, and other papers filed and
2 received by Defendant.

3 2. On or about September 4, 2015, Travis P. Brennan, counsel for
4 Defendant, had a telephonic meet and confer with Levi Plesset, counsel for
5 Plaintiff. During that call, Mr. Brennan asked Mr. Plesset whether Plaintiff would
6 contend, in support of its causes of action and claims for damages, that third parties
7 with respect to whom Prophet alleged it had not received royalties under the
8 Agreement actually infringed the Patents. Mr. Plesset asserted that such a
9 contention was not necessary to Plaintiff's causes of action and claims for
10 damages.

11 3. On September 11, 2015, Plaintiff filed its First Amended Complaint
12 ("FAC") which states the same three causes of action as the original Complaint.
13 Like the Complaint, the FAC erroneously names Defendant as "Acacia Patent
14 Acquisition, LLC."

15 4. On December 4, 2015, Defendant served interrogatories
16 ("Interrogatories") asking whether Plaintiff contended that particular third parties
17 identified in the FAC actually infringed the Patents, and requesting that for each
18 infringement contention, if any, Plaintiff identify the claims of the Patents alleged
19 to be infringed, the bases for alleged infringement, and all evidence supporting
20 Plaintiff's contentions.

21 5. On January 5, 2016, Plaintiff served responses to the Interrogatories
22 ("Interrogatory Responses"). In those Interrogatory Responses, Plaintiff revealed,
23 for the first time, that it contends particular third parties actually infringe one or
24 more claims of the Patents.

25 6. This is a civil action of which this Court has original jurisdiction
26 under 28 U.S.C. §§ 1331 and 1338(a) and supplemental jurisdiction under 28
27 U.S.C. § 1367(a). Under 28 U.S.C. § 1338(a), this Court has original jurisdiction

1 because “the plaintiff’s right to relief necessarily depends on resolution of a
 2 substantial question of federal patent law.” *Alexsam, Inc. v. Green DOT Corp.*,
 3 2:15-cv-05742-CAS(PLAx), 2015 U.S. Dist. LEXIS 134689, at *6 (C.D. Cal. Sept.
 4 28, 2015) (quoting *Christianson v. Colt Indus. Operating Corp.*, 486 U.S. 800,
 5 808-09 (1988)). This action is one which may be removed to this Court by
 6 Defendant pursuant to the provisions of 28 U.S.C. § 1441(b) in that it is a civil
 7 action arising under the Constitution, laws, or treaties of the United States and
 8 involves claims that are so related to claims in the action within such original
 9 jurisdiction that they form part of the same case or controversy under Article III of
 10 the United States Constitution.

11 7. Plaintiff’s Interrogatory Responses disclose, for the first time,
 12 Plaintiff’s contentions that particular third parties actually infringe one or more
 13 claims of the Patents. Plaintiff makes those contentions in support of its causes of
 14 action and claims for damages in its FAC. Those causes of action and claims for
 15 damages necessarily depend on resolution of the question of whether particular
 16 third parties actually infringe one or more claims of the Patents. Defendant
 17 disputes Plaintiff’s allegations and its contentions of patent infringement.

18 8. Removal is timely filed. Pursuant to 28 U.S.C. § 1446(b)(3), “if the
 19 case stated by the initial pleading is not removable, a notice of removal may be
 20 filed within thirty days after receipt by the defendant, through service or otherwise,
 21 of a copy of an amended pleading, motion, order or other paper from which it may
 22 first be ascertained that the case is one which is or has become removable.”

23 Plaintiff served its Interrogatory Responses on or about January 5, 2016.
 24 Accordingly, this Notice of Removal is timely filed under 28 U.S.C. § 1446(b)(3).

25 9. Pursuant to 28 U.S.C. §§ 1441(a) and 1446(a), the United States
 26 District Court for the Central District of California is the appropriate court for
 27

1 filing a Notice of Removal from the California Superior Court for the County of
2 Los Angeles, where the action was filed.

3 10. Copies of all pleadings, process and orders served upon Defendant in
4 this action are attached hereto as Exhibit A in accordance with 28 U.S.C. §
5 1446(a).

6 11. A copy of this Notice of Removal is being served on counsel for the
7 Plaintiff and is being filed contemporaneously with the Superior Court of the State
8 of California, County of Los Angeles, as required by 28 U.S.C. § 1446(d).

9 WHEREFORE, Defendant hereby gives notice that this action is removed
10 from the Superior Court of the State of California for the County of Los Angeles to
11 the United States District Court for the Central District of California.

12
13 DATED: January 28, 2016

STRADLING YOCCA CARLSON &
RAUTH, P.C.

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15
16 By: /s/ Marc J. Schneider

17 Marc J. Schneider
18 Douglas Q. Hahn
19 Travis P. Brennan
20 Ryan W. Smith
21 Attorneys for ACACIA RESEARCH
22 GROUP, LLC
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